

An Update from the office of Governor Phil Bredesen

November 8, 2006

STATE AWARDS CONTRACT FOR COVERRX

A contract has been awarded to a pharmacy benefit manager to provide affordable prescription drugs to qualified low-income adults who do not have access to pharmacy benefits.

CoverRx is part of Governor Bredesen's Cover Tennessee initiative to create health insurance options for the uninsured. The CoverRx contract was awarded to Express Scripts, one of America's largest pharmacy benefit managers.

"CoverRx is a modern, fiscally responsible approach to provide basic prescription drug coverage to Tennesseans without drug coverage or who don't have any insurance at all," Bredesen said. "This is a practical, down-to-earth effort to help Tennesseans who are today outside the health care window looking in."

CoverRx will replace the pharmacy assistance program developed under the Health Care Safety Net created in 2005. CoverRx will provide access to an expanded drug list, continue providing mental health drugs and expand pharmacy assistance to other low-income adults ages 19 to 64.

CoverRx has a mainly generic formulary of over 200 drugs, insulin and diabetic supplies, plus atypical antipsychotics and mood stabilizers for authorized

Eligibility for CoverRx includes:

- Tennessee resident (6 months)
- U.S. citizen or qualified alien
- Age 19 64
- Uninsured or no access to pharmacy benefits
- Household income of 250% FPL or less (\$50,000 per year for a family of four)

participants. There will be a five- prescription limit (excluding insulin and diabetic supplies), along with a sliding scale for co- payments ranging from \$3 to\$15 based on income and the prescribed medication (brand or generic).

Mental Health Safety Net participants will be auto-enrolled in the program. Community Mental Health Agencies may authorize access to the the CoverRx restricted formulary for other CoverRx applicants and participants.

In October, Kendra Gipson was formally hired to direct CoverRx. Gipson has been with the state for nine years working most recently as a Senior Management Consultant in the Department of Finance & Administration's Office of Consulting Services.

Persons in Household	Below FPL	FPL to 149% FPL	150% FPL to 250% FPL
1	\$0 - \$9,799	\$ 9,800 - \$14,699	\$14,700 - \$24,500
2	\$0 - \$13,199	\$13,200 - \$19,799	\$19,800 - \$33,000
3	\$0 - \$16,599	\$16,600 - \$24,899	\$24,900 - \$41,500
4	\$0 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$50,000
5	\$0 - \$23,399	\$23,400 - \$35,099	\$35,100 - \$58,500
6	\$0 - \$26,799	\$26,800 - \$40,199	\$40,200 - \$67,000
7	\$0 - \$30,199	\$30,200 - \$45,299	\$45,300 - \$75,500
8	\$0 - \$33,599	\$33,600 - \$50,399	\$50,400 - \$84,000
Co-Pay Structure	Generics: \$3 Brands: \$5 All Others: Lesser of Discount, MAC or U&C	Generics: \$6 Brands: \$10 All Others: Lesser of Discount, MAC or U&C	Generics: Lesser of \$10 or U&C Brands: \$15 All Others: Lesser of Discount, MAC or U&C